

into 18 hydrologic regions for the 48 coterminous states. Arizona (which is the sixth largest in the United States in land area) comprises most of region 15, called the "Lower Colorado" region. The total average natural runoff in this region (i.e., precipitation of all kinds) is 3.2 billion gallons per day, the lowest level of all 18 regions. Then, how does Arizona get enough water to support thriving agriculture, mining, industry, two metropolitan areas greater than 1 million people each (Phoenix and Tucson), and so on?

The history of Arizona's water supply typifies the dirigistic principle of America's development as a nation. In 1902, the U.S. government, through an act of Congress, created the U.S. Bureau of Reclamation. Although it had some environmentalist undertones, the Bureau built large multi-purpose water projects, involving dams, reservoir storage basins, and irrigation and water diversion systems. This developed the West, by moving water to where it was needed. Imperial Valley, California, the largest vegetable-producing region in the nation, is a product of this work.

The Colorado River (see **Figure 1**), the chief river in Arizona, starts in Colorado, flows across the northwest corner of Arizona, and through the Grand Canyon. At the Nevada border, the Colorado River is dammed by the Hoover Dam to form Lake Mead, which is the largest artificial lake in America, producing vast amounts of hydro-electricity. Almost all of the lakes in Arizona are man-made reservoirs, including Lake Powell (Glen Canyon Dam), Lake Mojave (Davis Dam), and Lake Roosevelt Apache (Horse Mesa Dam).

Much of the water supply was developed with the aid of canals, physical conveyances, pumps, and so on, constructed at the expense of the state and local governments. According to the Arizona Water Resources Department, Arizona draws off annually 8.6 million acre-feet of water (an acre-foot is 325,851 gallons). Three-quarters of this water depends on government.

The latest project, the Central Arizona Project canal, is a \$4.7 billion, 337-mile canal which brings water from the Colorado River to Phoenix and Tucson (when fully operational, it will bring 1.5 million acre-feet annually). President Lyndon Johnson authorized the project in 1968, but President Jimmy Carter tried to stop it in the 1970s, and various lunatic free market Republicans repeatedly slashed its appropriations. Yet, pro-development forces saw to it that it was built.

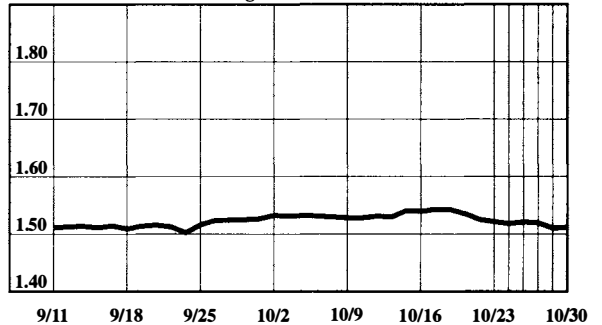
Shadegg now wants to sell these water projects for a song to privatizer sharks. Without these projects, Arizona would be like the bone-dry free enterprise paradise Nevada, which opted to make gambling the basis of its "economy."

What can be expected under water privatization? Shadegg's paradigm is water privatization in England in 1989, under Prime Minister Margaret Thatcher. Recently, the London *Financial Times* stated that "water privatization is a ripoff, a steal, a plunder, legalized mugging, piracy, licensed theft, a diabolical liberty, a huge scam, a cheat, a snatch, and a swindle." Still, Shadegg supports it.

## Currency Rates

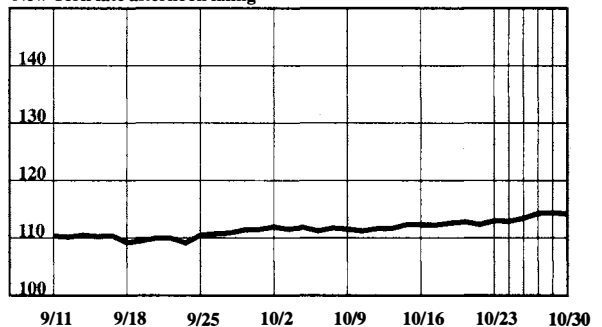
### The dollar in deutschemarks

New York late afternoon fixing



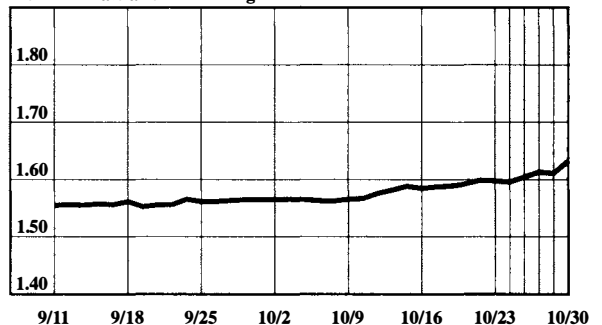
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

